NTABANKULU LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2009

NTABANKULU LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2009

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NTABANKULU LOCAL MUNICIPALITY

GENERAL INFORMATION
for the year ended 30 June 2009

MEMBERS OF THE EXECUTIVE COMMITTEE

1.	**P.S. Matshoba**	*Mayor*
2.	**S.N. Ntlahla**	*Speaker of the Council*
3.	**F. Matiwane**	*Social Services - Chairperson*
4.	**M. Madikizela**	*Head of Finance*
5.	**T.Pikwa**	*Strategic Development - Chairperson*
6.	**N.L. Ndamase**	*Engineering & Infrastructural Development - Chairperson*

OTHER COUNCILLORS

1.	**S. Nompula**	*Councillor - Chief whip*
2.	**T.R. Luvela**	*Councillor – Finance Chairperson*
3.	**P. Ndabeni**	*Councillor*
4.	**J.J.J. Ntlabathi**	*Councillor*
5.	**S. Ngcuka**	*Councillor*
6.	**M. Luhabe**	*Councillor*
7.	**A.N. Ntamo**	*Councillor*
8.	**D.M. Gadalane**	*Councillor*
9.	**S. Sothangane**	*Councillor*
10.	**M. Mtakasi**	*Councillor*
11.	**S. Sigudla**	*Councillor*
12.	**M. Gweqani**	*Councillor*
13.	**Z.W. Gandela**	*Councillor*
14.	**F.N. Mndela**	*Councillor*
15.	**L. Ntantini**	*Councillor*
16.	**P. Mthenjwa**	*Councillor*
17.	**M.G. Diko**	*Councillor*
18.	**M. Thyalibhongo**	*Councillor*
19.	**N.G. Diko**	*Councillor*
20.	**A.N. Sigcau**	*Councillor*
21.	**A.B. Diko**	*Councillor*
22.	**G.T. Khantini**	*Councillor*
23.	**M.G. Magatyana**	*Councillor*

GENERAL INFORMATION (continued)
for the year ended 30 June 2009

GRADE OF LOCAL AUTHORITY
Grade 2

AUDITORS
Auditor-General

BANKERS
-Meeg Bank
-Standard Bank (closed during the year)
-First National bank

REGISTERED OFFICE

Erf 85 Main Street	Telephone:	039 – 258 0056
Ntabankulu	Facsimile:	039 – 258 0173
5130		

MUNICIPAL MANAGER
T.L. Manda

CHIEF FINANCIAL OFFICER
Vacant

APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements set out on pages 1 to 29 were approved by the Municipal Manager and the Acting Chief Financial Officer on 31 August 2009.

_____	_____
MUNICIPAL MANAGER	**ACTING CHIEF FINANCIAL OFFICER**
(Accounting Officer)	
31 August 2009	**31 August 2009**

NTABANKULU LOCAL MUNICIPALITY

FOREWORD
for the year ended 30 June 2009

While inroads on service delivery have been made, an optimal level of service delivery is being held back by several challenges faced by the municipality. Among the serious and ongoing challenges faced by council is low collection rate of revenue particularly from the rates and services rendered by the municipality to the communities under its jurisdiction. To address this problem the municipality has now involved the councillors as well as ward committees to convey the message to the communities and encourage them to pay their outstanding debts.

Another major challenge facing the council is the high rate of unemployment which is unfortunately a direct result of the non-payment of services. The municipality has embarked on several Local Economic Development projects aimed at reducing the poverty rate and encouraging the self dependency in our communities.

We also have a challenge to grow our revenue base as we seek to progressively reduce the extent of reliance on Provincial and National government funding. The success of initiatives discussed above will automatically result in sustainable improvement in the municipality's development capabilities.

In conclusion I would like to express my appreciation to my fellow Council members, both the offices of the Municipal manger and the Acting Chief Financial Officer as well as all other staff for their support, co-operation and hard work during the year under review.

_____

P.S. Matshoba

MAYOR AND CHAIRMAN OF THE EXECUTIVE COMMITTEE

NTABANKULU LOCAL MUNICIPALITY

TREASURER'S REPORT
for the year ended 30 June 2009

1. INTRODUCTION

An appropriate legislation was complied with in order to provide statements for the year ending 30 June 2009. To the best of my knowledge these financial statements are a fair presentation of the Council at the end of the abovementioned date and the results of its operations for the year then ended.

2. REVIEW OF OPERATING RESULTS

Presented below is a summary of operating results in respect of the year ended 30 June 2009. Detailed operating results are presented on Appendices C and D.

INCOME	**Actual 2007/08**	**Actual 2008/09**	**Variance Actual 07/08 VS Actual 08/09 %**	**Budget 2008/09**	**Variance Actual / Budget %**
Operating Income for the year	35,944,018	42,152,205	23%	45,995,963	(4%)
	35,944,018	**42,152,205**	**23%**	**45,995,963**	**(4%)**
EXPENDITURE					
Operating expenditure	27,390,006	45,336,683	**66%**	32,377,696	**29%**
Capital expenditure	14,055,264	10,386,247	(26%)	13,618,875	(31%)
	-	-			
Total Expenditure	**41,445,270**	**55,722,930**	**34%**	**45,996,571**	**17%**
Surplus / (Deficit)	**(5,501,252)**	**(11,570,725)**	**-**	**(608)**	

1.1 Commentary on the operating results

Revenue

Current year revenue exceeds prior year revenue by 23%. Our total revenue is below budgeted revenue by 4%.

Operational expenditure

Total operational expenditure budget amounts to R32,377,696 and the capital expenditure budget amounts to R13,618,875 resulting in an overall expenditure budget of R45,996,511. Actual operational expenditure is R45,336,683 whilst capital expenditure is R10,386,247. The total expenditure is above the budget by 17%.

2. CAPITAL EXPENDITURE AND FINANCING

2.1 Commentary on capital expenditure and financing

The current year capital expenditure is below prior year by 26%. The capital expenditure was above budget by 31%. The total amount of the capital expenditure was financed through unconditional grant subsidies (MIG Grant).

3. EXTERNAL LOANS INVESTMENTS AND CASH

The municipality has no external loans.

4. POST BALANCE SHEET EVENTS

No material events have occurred since the balance sheet date.

5. EXPRESSION OF APPRECIATION

I am grateful to the Mayor, the Executive committee of the Council, the Council, the Municipal Manager for the support they have given me and to the staff of the Finance Department and the local representatives of the Auditor-General for their assistance and support during the year.

_____

N. Gixane
Acting Chief Financial Officer
31 August 2009

ACCOUNTING POLICIES
for the year ended 30 June 2009

1. Basis of presentation

1.1 The financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Treasures and Accountants in its Code of Accounting Practice (1997) and on Report on Published Annual Financial Statements (Second edition – January 1996).

1.2 The financial statement are prepared on the historical costs basis, adjusted for fixed assets as more fully detailed in Accounting Policy note 6. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.

1.3 The financial statements are prepared on the accrual basis as stated:

- Income is accrued when measured and available to finance operations. Certain direct income is accrued when received, such as finances and certain licences.
- Expenditure is accrued in the period it is incurred.

2. Revenue

Revenue comprises of assessment rates and refuse income receivable for the year, sundry income and grant income which is either conditional or unconditional.

Assessment rates are levied at an approved annual rate on the value of land and buildings. Refuse is levied at approve monthly flat rates. Sundry income is accounted for on a cash receipt basis.

Government and related grants are recognized as revenue on an accrual basis and in accordance with the funding institution's annual disbursement plan as they relate to municipal statutory annual reporting period.

3. Project funds

Project funds are representative of external funding received in the past and set aside for pre-identified individual projects or a pre-defined general nature of intervention.

4. Reserves

Reserves are conditional grants previously granted to the municipality for pre-specified purposes.

5. Accumulated surplus

Accumulated surplus reflects the residual of revenue against the sum of operating and capital expenditure reduced by any other appropriations.

6. Property, Plant and Equipment

6.1 Property, plant and equipment is stated at cost or valuation where assets have been acquired by grant or donation, while they are in existence and fit for use.

6.2 Depreciation: The balance shown against the heading "Loans Redeemed and other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation; however certain structural differences do exist. Through this "provision" assets are written down over their estimated useful life.

In the case of operating income the full cost of the acquired asset becomes a direct charge to the income statement. Loans are repaid within the estimated useful lives of assets acquired through such loans. The cost or value of such asset as financed is immediately credited to the "Loans Redeemed and other Capital Receipts" accounts.

6.3 Property, plant and equipment financed from different sources of funding which include external loans, designated or general grant subsidy income, operating income and various accumulated council funds.

6.4 All net proceeds from the sale of fixed assets are credited to the revolving fund.

7. Investments

Investments are stated at the lower of cost or market value if a permanent decline in the value occurred.

8. Retirement benefits

It is the policy of the council to provide retirement benefits for its personnel. Contributions to retirement benefits are charged against income as incurred.

9. Provisions

Provisions are recognized when the municipality has a present or a constructive obligation as a result of past events and is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

10. Bad Debt Provision

The bad debt provision is calculated on the ageing of debtors. The Council's policy is to provide on all debtors that have been handed over to collection agencies, and 50% of all consumer debtors' balances that have been outstanding for more than 365 days.

at 30 June 2009

	Notes	2009	2008
		R	R
ASSETS			
NON-CURRENT ASSETS		88 121 550	271,591
Property, plant and equipment	1	88, 052,050	97,000
Long-term debtors	2	69 500	174,591
CURRENT ASSETS		17 725 024	20,044,895
Accounts receivable	3	6 486 125	8,812,135
Short term investments	4	707 315	1,596,974
Cash and cash equivalents		10 531 584	9,635,786
TOTAL ASSETS		105 846 573	20,316,486
FUNDS AND LIABILITIES			
FUNDS AND RESERVES		-94 945 122	12,909,149
Funds (Project funds)	5	-2 443 456	-708,112
Accumulated surplus		-92 501 666	13,617,261
NON-CURRENT LIABILITIES		-169 719	-
Long-term Liabilities	6	-169 719	-
CURRENT LIABILITIES		-10 731 732	7,407,337
Accounts payable	7	-8 399 986	6,247,730
Provisions	8	2,198,331	1,031,053
Short-term portion of long-term debt	6	-133 415	-
Bank overdraft	9	-	128,554
TOTAL FUNDS AND LIABILITIES		-105 846 573	20,316,486

NTABANKULU LOCAL MUNICIPALITY

INCOME STATEMENT
for the year ended 30 June 2009

2007/08 R Actual Income	2007/08 R Actual Expenditure	2007/08 R Surplus / (deficit)		Note	2008/09 R Actual Income	2008/09 R Actual Expenditure	2008/09 R Surplus / (deficit)
			GENERAL ADMINISTRATION				
35,820,239	40,135,717	(4,315,478)	Community services		44,152,205	55,722,930	(11,570,725)
123,779	1,309,553	(1,185,774)	Economic services				
35,944,018	21,075,701	(5,501,252)	**TOTAL**		44,152,205	55,722,930	(11,570,725)
		(5,501,252)	Surplus / (Deficit) for the year				(11,570,725)
		(6,620,412)	Accumulated surplus / (Deficit) at the beginning of the year				13,617,261
			Prior year adjustments				
		25,738,925	Adjusted accumulated surplus / (Deficit) at the beginning of the year	11			90,455,130
		13,617,261	Accumulated surplus/ (Deficit) at the end of the year				92,501,666

NTABANKULU LOCAL MUNICIPALITY

CASH FLOW STATEMENT
for the year ended 30 June 2009

	Note	2009 R	2008 R
CASH RETAINED FROM OPERATING ACTIVITIES		**5,771,771**	**30,876,925**
Cash generated from operations	13	585,254	36,400,813
Investment income		603,160	-
Increase (Decrease) in working capital	14	4,583,357	-5,523,888
Contributions from Public or Government			
		-8,876,035	**14,055,264**
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Purchase of property, plant and equipment		-10,386,247	14,055,264
-Proceeds on disposal of property, plant and equipment		1,510,212	
CASH FLOWS FROM FINANCING ACTIVITIES		**2,981,849**	**-9,427,520**
Increase (Decrease) in Funds		3,151,568	-9,427,520
Decrease in Long-term Liabilities		-169,719	-
Net cash Outflow		**-122,415**	**-9,427,520**
Decrease in short-term investments		-889,659	-9,498,077
Increase in cash on hand		767,244	-
Net Cash (Utilised) Generated		**-122,415**	**9,427,520**

		2009	2008
		R	R
1.	**PROPERTY, PLANT AND EQUIPMENT**	**88,052,050**	**97,000**

	Infrastructure	Community	Other	Total
COST				
Opening Balance	59 622 770	18 426 337	12 043 501	90 092 608
Revaluation	-	9 291 831	-	9 291 831
Additions	-	-	1 064 406	1 064 406
Disposals	-	-195 655	-4 049 464	-4 245 119
	59 622 770	**27 522 513**	**9 058 443**	**96 203 726**
ACCUM DEPREC				
Opening Balance	-13 289 820	-4 106 266	-5 620 654	-23 016 739
Current yr depreciation	-	-	192 472	192 472
Disposals	12 572 116	-	2 100 475	14 672 591
	-717 704	**-4 106 266**	**-3 327 706**	**-8 151 676**
NET BOOK VALUE	**58 905 066**	**23 416 247**	**5 730 737**	**88 052 050**

2.	**LONG-TERM DEBTORS:**	**69,500**	**174,591**
	Computer Loans & Motor Vehicles	-	4,316
	Councillor's Pension Fund	-	170,275
	Other	69,500	-
3.	**ACCOUNTS RECIEVABLE**	**6,486,125**	**8,812,135**
3.1	**Customer Debtors**	**3,446,451**	**5,530,767**
	Trade accounts receivable	7,026,589	5,821,859
	Provision for doubtful debts	-3,580,138	-291,092
3.2	**Sundry debtors**	**3,039,674**	**3,281,368**
	Other accounts receivable	1,350,504	1,591,198
	OR Tambo water and Sanitation	1,689,170	1,689,170
	Short-term portion of long-term debtors	-	1,000

	2009	2008
	R	R

4. SHORT-TERM INVESTMENTS

Capital projects/equitable share call account	1,197	368,303
Local Economic Development(LED) call account	-	-
471 Housing call account	88,459	472,927
Bomvini call account	182,365	84,748
FNB MPCC Call	97,611	2,200,000
Free Basic electricity call account	1,453	173,924
Free Basic Services	59,571	5,602
Free Basic Services Grant	12,922	-
Housing project call account	-	-1,650,167
Institutional development call account	20,814	440,667
Institutional development plan (IDP)	6,565	-162,468
Leave reserve call account	47,040	111,287
Mbongweni Fund call account	5,463	5,357
Mfundisweni fund call account	2,280	2,369
Municipal support programme	5,224	112,852
Poverty alleviation call account	11,997	193,101
Revolving Credit	-	185.576
Tender fees call account	32,888	75,802
Transitional grant call account	38,330	220
Transitional grant – council allowance	4,874	-
Revolving fund call account	4,304	185,576
Vukani Mangqamza call account	32,693	58,317
Chibini call account	11,225	102,023
Finance Management Grant call account	982	278,131
Isilindini call account	12,926	105,707
Municipal Systems Improvement Grant (MSIG) call	442	3,530,482
Operations call account	25,022	-862,430
Rentention Call Account	500	-1,415,312
MIG Call Account	169	1,753,432
	707,315	**1,596,974**

		2009	2008
		R	R
5.	**FUNDS**	**-2,443,456**	**-708,112**
5.1	**Statutory Funds**	**-185,455**	**-162,468**
	Revolving Fund	-185,455	-
5.2	**Trust Funds**	**-931 750**	**-162,468**
	Mbongweni Fund	-5 463	-
	Bomvini Fund	-182 365	-
	Drought Relief Program	887,525	-
	Mayoral Discretion Fund	-1 601,818	-
	Mfundisweni Fund	-2 280	-
	Institutional Development Fund	-20 814	-1 054 199
	IDP	-6 565	-162,468
5.3	**Project Funds**	**-1,326,251**	**-545,644**
	471 Housing	-88 459	427,927
	Arts and Culture	-	-420,000
	Chibini Survey and Planning	-11,225	-303,627
	Equitable Share	-878,469	-
	Finance Management Grant	-982	456,542
	Free Basic Electricity fund	-1,453	1,130,088
	Free Basic Services fund	-59,571	-5,602
	Free Basic Services Grant Fund	-12,922	-
	Municipal Infrastructure	-169	1,753,432
	Municipal System Improvement (MSIG)	-442	3,530,482
	MPCC	-97,611	-
	MSP Fund	-5,224	-
	Ngqane Community Hall	6,000	-
	Poverty alleviation	-11,997	-
	Transitional Fund	-38,330	4,616,721
	Transitional Fund – Councillor allowance	-4,874	-
	Isilindini Survey	-12,926	-
	Vukani Mangqamza Fund	-32,963	
	Yandlala Mpisini	-74,905	-

		2009	2008
		R	R
6.	**LONG-TERM LIABILITIES**	**169,719**	-
	Long-term loans	169,719	-
	This relates to a Meeg Bank car loan		
7.	**ACCOUNTS PAYABLE**	**8,399,986**	**6,247,730**
	Trade creditors and accruals	214,289	13,762
	Other Creditors	8,185,697	6,233,968
8.	**PROVISIONS**	**2,198,331**	**1,031,053**
	Leave pay provision	698,331	668,287
	Accounting and Audit fees provisions	1,500,000	362,766
	Sundry provisions at year end	-	-
9.	**BANK AND CASH**	**10,531,584**	**9,507,232**
	Cash on hand	53,740	75,488
	Meeg Bank Main Account	10,477,845	8,572,802
	First National Bank Main Account	-	951,764
	Standard Bank Housing Account	-	-128,554
	Standard Bank Yandlala Mpisini Account	-	35,732
		25,738,925	**25,738,925**

10. PRIOR YEAR ADJUSTMENTS

The prior year adjustment relates to errors identified in Funds, Investments and Fixed Assets. This adjustment corrects these fundamental errors.

11.	**PROPERTY RATES**		
	Commercial and Residential Rates	**1,343,480**	**1,339,309**
12.	**SERVICE CHARGES**		
	Refuse removal	**176,457**	**123,770**

	2009	2008
	R	R

13. GOVERNMENT GRANTS AND SUBSIDIES

Equitable share	25,960,561	21,096,151
Finance Management Grant	573,288	500,000
DP Grant	110,000	160,000
Thina Sinako	496,477	-
IEC Infrastructure	593,350	-
Municipal systems Improvement Grant	768,302	735,000
MIG Grant	5,848,352	6,964,000

13.1 Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

13.2 MIG Grant

Balance unspent at beginning of year	169	-
Current year receipts	10,773,300	6,964,000
Conditions met - transferred to revenue	10,773,300	6,964,000
Conditions still to be met - transferred to liabilities	-	-

This grant was used to construct roads and community infrastructure.

14. OTHER INCOME

Interest on Investments	603,160	594,960
Sale of land	137,537	
Other Income	1,113,367	309,960

		2009	2008
		R	R
15.	**EMPLOYEE RELATED COSTS**		
	Total Employee Related Costs	18 650 385	18 988 871
	There were no advances to employees.		
	Remuneration of the Municipal Manager		
	Annual Remuneration	334,143	315,340
	Performance Bonuses	-	-
	Car Allowance	147,266	129,234
	Contributions to UIF, Medical and Pension Funds	75,126	53 169
	Total	**556,536**	**497744.76**
	Remuneration of the Chief Finance Officer		
	Annual Remuneration	314 263	296 430
	Performance Bonuses		-
	Car Allowance	139 119	121,488
	Contributions to UIF, Medical and Pension Funds	68 382	48 522
	Total	521,764	466,470
	Remuneration of Individual Executive Directors		
	Strategic	314,263	296,430
	Annual Remuneration		
	Performance Bonuses	-	-
	Car Allowance	139,119	121,488
	Contributions to UIF, Medical and Pension Funds	55,416	34,952
	Total	508,798	452,870

15. EMPLOYEE RELATED COSTS (continued)

	2009	2008
	R	R
Social Development		
Annual Remuneration	314 263	296,429
Performance Bonuses	-	-
Car Allowance	139 119	121,487
Contributions to UIF, Medical and Pension Funds	75 228	39,517
Total	528,610	457,433
Corporate Services		
Annual Remuneration	314 263	296,429
Performance Bonuses	-	-
Car Allowance	139 119	121,487
Contributions to UIF, Medical and Pension Funds	60 864	39,517
Total	514,246	457,433
Infrastructure		
Annual Remuneration	314,263	296,429
Performance Bonuses	-	-
Car Allowance	139,119	121,487
Contributions to UIF, Medical and Pension Funds	61,200	39,517
Total	514,582	457,433

	2009	2008
	R	R

16. REMUNERATION OF COUNCILLORS

Mayor	232,982	208,410
Speaker	151,033	134,557
Executive Committee Members	104,716	94,338
Councillors	95,024	85,607
Councillors' pension contribution	834,625	760,300
Total Councillors' Remuneration	**1,418,380**	**1,283,212**

In-kind Benefits

The Mayor, Speaker and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor is entitled to stay at the mayoral residence owned by Council at no cost. The Mayor has use of a Council owned vehicle for official duties.

The Mayor has one full-time bodyguard.

17. INTEREST PAID

Long-term liabilities	63,643	46,363

Long term liabilities relate to Meeg Bank Car Loan.

		2009	2008
		R	R
18.	**CASH GENERATED FROM OPERATIONS**	**585,154**	**36,400,813**
	Deficit for the year	-11,570,725	-5,501,252
	Adjustments in respect of:		
	Prior year adjustments	14,269,351	27,846,800
	Capital expenditure	-	14,055,264
	Profit on disposal of assets	-1,510,212	-
	Interest received	-603160	
19.	**INCREASE/(DECREASE) IN WORKING CAPITAL**	**4,583,357**	**-5,523,888**
	Decrease (Increase) in accounts receivable	2,326,010	-4,384,662
	Increase/(Decrease) in creditors	2,152,256	-1,139,226
	Decrease in Long-term debtors	105,091	-

	2009	2008
	R	R

20. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE ACT

20.1 PAYE and UIF

Opening balance		
Current year payroll deductions	2,574,804	2,171,887
Amount paid - current year	2,574,804	2,171,887
Amount paid - previous years	2,171,887	2,343,737
Balance unpaid (included in creditors)	-	-

The balance represents PAYE and UIF deducted from the June 2009 payroll. These amounts were paid during July 2009.

	2009	2008
	R	R
20.5 Pension and Medical Aid Deductions		
Opening balance		
Current year payroll deductions and Council Contributions	3,546,177	2,937,841
Amount paid - current year	3,546,177	2,937,841
Amount paid - previous years	2,937,841	2,379,450
Balance unpaid (included in creditors)		

The balance represents pension and medical aid contributions deducted from employees in the June 2009 payroll as well as Council's contributions to pension and medical aid funds. These amounts were paid during July 2009.

20.6 Councillor's arrear consumer accounts

No Councillors had arrear accounts outstanding for more than 90 days as at 30 June 2009.

21. CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:		
- Approved and contracted for		
Infrastructure	-	-
Community	-	-
Heritage	-	-
Other	-	-
- Approved but not yet contracted for		
Infrastructure	27,951,359	12,356,000
Other	640,000	1,262,875
Total	28,581,359	13,618,875

	2009	2008
	R	R

21. CAPITAL COMMITMENTS (continued)

This expenditure will be financed from:

- External Loans
- Government Grants
- Own resources
- District Council Grants

22. RETIREMENT BENEFIT INFORMATION

All Councillors belong to a administered by Municipal Councillors' Pension Fund. Municipal employees belong to a fund administered by the South African Municipal Workers' Union Fund. Senior Managers belong to a fund administered Old Mutual Provident Fund. These funds are subject to a triennial actuarial valuation.
An amount of RXXX million (2008 : RXXX million) was contributed by Council in respect of Councillor and employees retirement funding. These contributions have been expensed.

23. CONTINGENT LIABILITY

There are known no contingent liabilities for the Municipality.

24. EVENTS AFTER THE REPORTING DATE

There are no material post balance sheet events.

NTABANKULU LOCAL MUNICIPALITY

STATUTORY FUNDS, TRUST FUNDS, PROJECT FUNDS AND RESERVES **APPENDIX A**

for the year ended 30 June 2009

	Balance at 30 June 2008	Contribution during the year	Interest on investment	Other income	Expenditure / Charges	Balance at 30 June 2009
STATUTORY FUNDS						
Revolving fund	185,577					185,577
	185,577					**185,577**
TRUST FUNDS	**177,920**					**177,920**
IDP Fund	177,920					177,920
PROJECT FUNDS						
471 Housing	1,272,165					-1,650,167
Bomvini Fund	84,749					-
Chibini Survey and Planning	102,024					-303,628
Finance Management Grant	391,383	500,000,00			577,922	456,542
Free Basic Electricity fund	1,283,568					-
Free Basic Services fund	779,465					-5,602
Free Basic Water fund (Isilindini Community Hall)	682,468					
Institutional Fund	1,278,024					-1,054,199

STATUTORY FUNDS, TRUST FUNDS, PROJECT FUNDS AND RESERVES (Continued) **APPENDIX A**
for the year ended 30 June 2009

	Balance at 30 June 2008	Contribution during the year	Interest on investment	Other income	Expenditure / Charges	Balance at 30 June 2009
Mbongweni Fund	-5,362					-5,362
Mfundisweni Fund	139,403					139,403
Municipal System Improvement (MSIG)	-500,203	734,000			1,218,370	-500,203
MSP Fund	-654,330.87	200,000			309,234	-654,330.87
New Community Hall	-28,286					-28,286
Nzwakazi Sports Field	748,84					748,84
Poverty alleviation	22,135					22,135
Transitional Fund	-696,429,81					-696,429,81
Vukani Mangqamza Fund and Isilindini Survey)	-					-
Municipal infrastructure	-369,498,81	14,117,876			11,279,253	-369,498,81
Yandlala Mpisini	-37,452					-37,452
	-2,129,277	**15,051,876**			**12,806,857**	**-2,129,277**
Total funds	**-2,129,277**	**15,051,876**	**-**	**-**	**12,806,857**	

NTABANKULU LOCAL MUNICIPALITY

ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT **APPENDIX B**
for the year ended 30 June 2009

	Balance as at 30 June 2008	Expenditure	Written-off / Transferred	Balance as at 30 June 2009
Rates and general services				
Community services				
Land and buildings	2,215,168		-	2,215,168
Plant and equipment	8,463,490		-	8,463,490
Office equipment	1,075,863		-	1,075,863
Road construction	48,815,537		-	48,815,537
Fencing	418,759		-	418,759
Waterworks infrastructure	147,307		-	147,307
Motor vehicles	1,607,082		-	1,607,082
Testing Ground	3,469,584		-	3,469,584
Monuments	265,576		-	265,576
Local Economic Development	1,338,011		-	1,338,011
Ward centres	2,489,015		-	2,489,015
Economic services				
Sanitation	-	**-**	**-**	-
TOTAL PROPERTY, PLANT AND EQUIPMENT	**70,305,391**			
Less: Loans redeemed and other capital receipts				
Loans redeemed				
Revenue contribution to capital		10,592,730	-	56,250,127
Grants and subsidies				
NET PROPERTY, PLANT AND EQUIPMENT	**70,305,391**	**-**		**70,305,391**

NTABANKULU LOCAL MUNICIPALITY **APPENDIX C**

ANALYSIS OF OPERATING INCOME AND EXPENDITURE
for the year ended 30 June 2009

Actual 2008 R		Actual 2009 R	Budget 2009 R
	INCOME		
34,480,930	Grants and subsidies:	39 275 248	37 548 000
21,096,151	- Central Government (Equitable share)	25 960 561	24 997 000
13,384,779	- Other	13 314 687	12 551 000
1,463,088	Operating income:	4 876 958	8 447 963
1,339,309	- Assessment rates	1 343 480	1 800 000
123,779	- Refuse	176 457	100 000
-	- Proceeds on Sale of Assets	1 510 212	
-	- Other income	1 846 808	6 547 963
35,944,018	Total income	44 152 205	45 995 963
	EXPENDITURE		
27,390,006	Total operating expenditure	45 336 683	32 377 696
13,244,326	Salaries, wages and allowances	18 650 386	18 988 871
12,951,701	General expenses	20 115 830	11 652 034
-	Bad debts	3 580 212	-
1,193,980	Repairs and maintenance	2 990 256	1 736 791
-	Contribution to funds	-	_
14,055,264	Contribution to property, plant and equipment	10 386 247	13 618 875
41,445,270	Total expenditure	55 722 930	45 996 571
-5,501,252	**SURPLUS/(DEFICIT) FOR THE YEAR**	**11 570 725**	**(608)**

NTABANKULU LOCAL MUNICIPALITY

DETAILED INCOME STATEMENT **APPENDIX D**

for the year ended 30 June 2009

2009 R Actual Income	2009 R Actual Expenditure	2009 R Surplus / (deficit)			2008 R Actual Income	2008 R Actual Expenditure	2008 R Surplus / (deficit)
44,152,205	**55,722,930**	**-11,570,725**	**RATES AND GENERAL SERVICES**		**35,944,018**	**41,445,270**	**-5,501,252**
			Community Services		**35,820,239**		
43,975,948			Administration & HR Community Service Councillors Engineering Finance Mayor Municipal Manager Information technology Public safety Water distribution		35,820,239		
176,457			**Economic Services**		**123,779**		
176,457			Refuse removal		123,779		
	-11,570,725		Deficit for the year				-5 ,501,252
	13,617,261		Surplus for the year				-6,620,412
	90,455,130		Accumulated surplus at the beginning of the year Prior year adjustments	11			25,738,925
	92,501,666		Accumulated surplus at the end of the year				13,617,261

NTABANKULU LOCAL MUNICIPALITY **APPENDIX E**

STATISTICAL INFORMATION
for the year ended 30 June 2009

GENERAL STATISTICS

1. Population

Age group	Age group as percentage of total	Total population	Males	Females
0 - 14	57%	77,742	25,656	52,086
15 - 34	19%	25,914	8,552	17,362
35 – 64	18%	24,550	8,102	16,448
65 and over	6%	8,183	2,701	5,483
Total	**100%**	**136,389**	**45,011**	**91,379**

2. Assessment rates

2.1 Property valuation and assessment rates

	Valuation	Actual income 2009	Actual income 2008
State owned property	8,902,290	45,871	-
Commercial and residential	65,397,971	1,307,959	2,228,840
Total valuation	**74,300,261**	**1,353,830**	**2,228,840**

General valuations on land and buildings are performed every five years.
The last general valuation came into effect on August 2000.

The assessment rates were as follows:

- Commercial 0.02 cents per rand
- Residential 0.01 cents per rand
- State owned properties 0.02 cents per rand